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25 October 1973

Mr. Ralph Preston, Staff Assistant
House Appropriations Committee
House of Representatives
Washington, D. C. 20515

Dear Ralph:

I've spent the better part of the morning in conversation with OMB (Frey and Veatch), DOD (Brazier) and others trying to find a way through the technical problem posed by removal of the \$16M pay increase from our FY 74 submission. Both Veatch and Brazier see major complications and, frankly, said they do not want to do this.

Although OMB did set the general policy, excluding the January 1973 pay raise from the FY 74 budget submissions, they deliberately left the Agency's pay raise cost [] in, recognizing the uniqueness of the CIA problem since we do not have the Supplemental option. There is no way, according to OMB, for the Agency to avoid sticking up like a red flag in the Pay Supplemental, thereby revealing the personnel total through simple arithmetic. The Director does not want that to happen, nor would Mr. Mahon, if I read him correctly the other day.

I certainly accept that the Agency must bear its share of a Community cut and feel that [] is a proportionate share. Given the removal of an additional [] from the Reserve, according to our scenario with you, I feel that the balance of the Reserve must be left alone. Among other things, developments in the Middle East may add significantly to requirements already apparent for Reserve releases.

I urge your reconsideration of the [] removal and stand ready to discuss this further, recognizing your need for speed.

Sincerely,

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Charles A. Briggs
Director of Planning,
Programming, and Budgeting

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